

ASSESSMENT OF TRAINING AND DEVELOPMENT PRACTICES ON AGENTS OF LIFE INSURANCE COMPANIES: EMPIRICAL STUDY OF RUPANDEHI DISTRICT

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ABSTRACT

The motive of this research paper is to evaluate the level of satisfaction of individual agents with regard to Training and Development practices of Life Insurance companies. This is a Descriptive research based on responses 51 insurance agents. Their opinion was gathered through structured questionnaire using Purposive Sampling Method from companies of Life Insurance Corporation of Rupandehi District. After testing normality of data several inferential statistics namely Reliability test was used. To determine the relationship between the demographic factors and life insurance demand one way ANOVA and independent T-test have been conducted. Multiple Regression have been applied to test the impact of independent variable over dependent variable. The study concludes that there is no significant impact of demographic variable over the employee satisfaction of Insurance agent. The level of the satisfaction of agents with Training and Development practices of corporation is highly co-related with the status of agents. Higher status of agents is comparatively highly satisfied with regard to all the factors like Training need analysis, Training Design and Implementation and Training Evaluation. The agents who are engaged for full time in agency business are comparatively higher satisfied with all the factors. Further, there is no significant difference in their opinion in district wise with regard to satisfaction level.

Key words: Agents, Satisfaction, Training and Development practices, Engagement, etc.

1. Introduction

1.1 General Background

In today's dynamic business landscape, where competition is fierce and customer demands are ever-evolving, the role of insurance agents has become increasingly vital for the success of life insurance companies. These agents act as the primary interface between the insurer and the insured, playing a pivotal role in promoting policies, addressing customer needs, and ensuring sustainable growth for the company. Recognizing the importance of a skilled and motivated agent force, life insurance companies have turned to training and development programs to equip their agents with the necessary skills and knowledge to excel in their roles

Insurance has existed since the dawn of humanity (Mishra, 2008) The word "Insurance Agent" has a history that is related to insurance. In the past and even now, no one could have imagined an insurance industry "without insurance agent." Insurance businesses establish their offices and branches in various states and locations to conduct business. However, nobody is about to come in and buy the insurance policy by themselves. Insurance salespeople must individually approach potential customers in order to educate them about the product, entice them to purchase it, and close the sale. Because of this, selling insurance strictly involves personal interactions. This has given birth to insurance agent or insurance advisors in insurance business (Das & Agrawal, 2012)

The training and development of insurance agents have emerged as a critical strategic imperative in the insurance industry, not only to improve their selling capabilities but also to enhance overall customer experience and loyalty. By investing in the continuous improvement of their agents, insurance companies aim to build a workforce that is well-informed, confident, and capable of meeting the diverse needs of their clients (Karim, Choudhury, & Latif, 2019)

Training and development practices as educational activities within an organization aimed at improving an individual's or a group's job performance. These practices usually entail improving a worker's knowledge and skill sets as well as increasing motivation to improve job performance. Training programs can be established on their own or with the

help of a learning management system, with the purpose of long-term staff development. Some of the common training practices include; orientations, classroom lectures, research studies, group activities, scenarios, and computer-based training (Kajwang, 2022)

This study seeks to assess the impact of training and development practices on the level of employee satisfaction among insurance agents in life insurance companies. Understanding the factors that influence agent satisfaction is of utmost importance, as it directly correlates with the productivity, job performance. There is limited research available on the impact of training and development practices on the employee satisfaction of insurance agents specifically of Nepal. Most existing studies might have a broader scope or focus on different regions, making this empirical study more valuable for understanding the local dynamics and needs of insurance agents in that specific commitment to the organization.

The main objectives of this research are to examine the various training and development initiatives undertaken by life insurance companies to enhance the skills and knowledge of their agents, and to evaluate the impact of training and development practices on the overall job satisfaction of insurance agents.

The findings of this study are expected to provide valuable insights for life insurance companies to design and implement more effective and tailored training and development programs that foster higher levels of agent satisfaction. Ultimately, by understanding the connection between training practices and employee satisfaction, companies can foster a more engaged and motivated agent force, leading to improved customer service and sustainable growth in the fiercely competitive insurance industry.

2. Literature Review

A literature review is a critical summary and analysis of existing academic publications, books, articles, and other sources related to a particular research topic or question. It serves as a foundation for academic research, helping researchers understand the existing body of knowledge on their subject and identify gaps, inconsistencies, and areas that require further exploration.

According to (Anitha & Kumar, 2016) the training given to the employees in Private Insurance Sector improves the performance level of the employees. The increase is formed in the employee productivity after the training. The education level, staff category and the work experiences of the employees are the factors determining the growth of performance in the organization after the training.

(Ashvin, 2016) found that India's level of financial literacy is not very high, indicating a need for skilled human resources to help the company achieve its objectives. He also proposes educating sales people and agents on product understanding and sales techniques since there have been instances of mis selling and unresolved claims.

(Johri, 2010) observed that the insurance industry is one which requires all its stake holders to keep pace with the changes, which means that ongoing training and exposure to global developments in insurance are highly desirable. Thus, the author suggests that the development of any insurance training programs must be competency based relating to performance which creates a strategy for continuous learning as an integral policy on training.

(Dr.Yuvaraj, 2010) conducted research on trainers' perceptions of training programs' efficiency to perform the survey, the researcher used four fundamental variables: the trainers' titles, Number of training programs, trainer experience conducted by the trainers, whether they are public or private. The improvement-focused training program on a scale of 1 to 4, leadership abilities received a mean score of greater than 3. Its efficiency in the amount of training opportunities and experience have a significant impact on the training programs activities carried out by the respondent trainers.

According to (Das & Agrawal, 2012) the level of satisfaction of individual agents with regard to management practices of Life Insurance Corporation of India. He found that level of the satisfaction of agents with management practices of corporation is highly co- related with the status of agents. Higher status of agents is comparatively highly satisfied with regard to all the factors like Organizing, Staffing, Directing, Controlling and Coordination. The agents who are engaged for full time in agency business are comparatively higher satisfied with all the factors.

(Mobarak, 2019) discovered that employees are aware of training and motivated by training, and perform better as a result of training and growth. The report recommended that all employees' training and development be dynamically followed, made mandatory, and the employer should receive required training in order to improve performance. The research determined that there is a need for ongoing training and development, taking the competition, market dynamics, and consumer into consideration among other things, contentment and net promoter score.

(Sheehan & Maura, 2014) has undergone few research to find the relationship in investments in Training and Development in times of uncertainties in few industries across few countries. The analysis showed that T&D investment is highly sensitive to uncertainty. The investment in T&D for sustained competitive advantage is absolutely essential even in the presence of uncertainty.

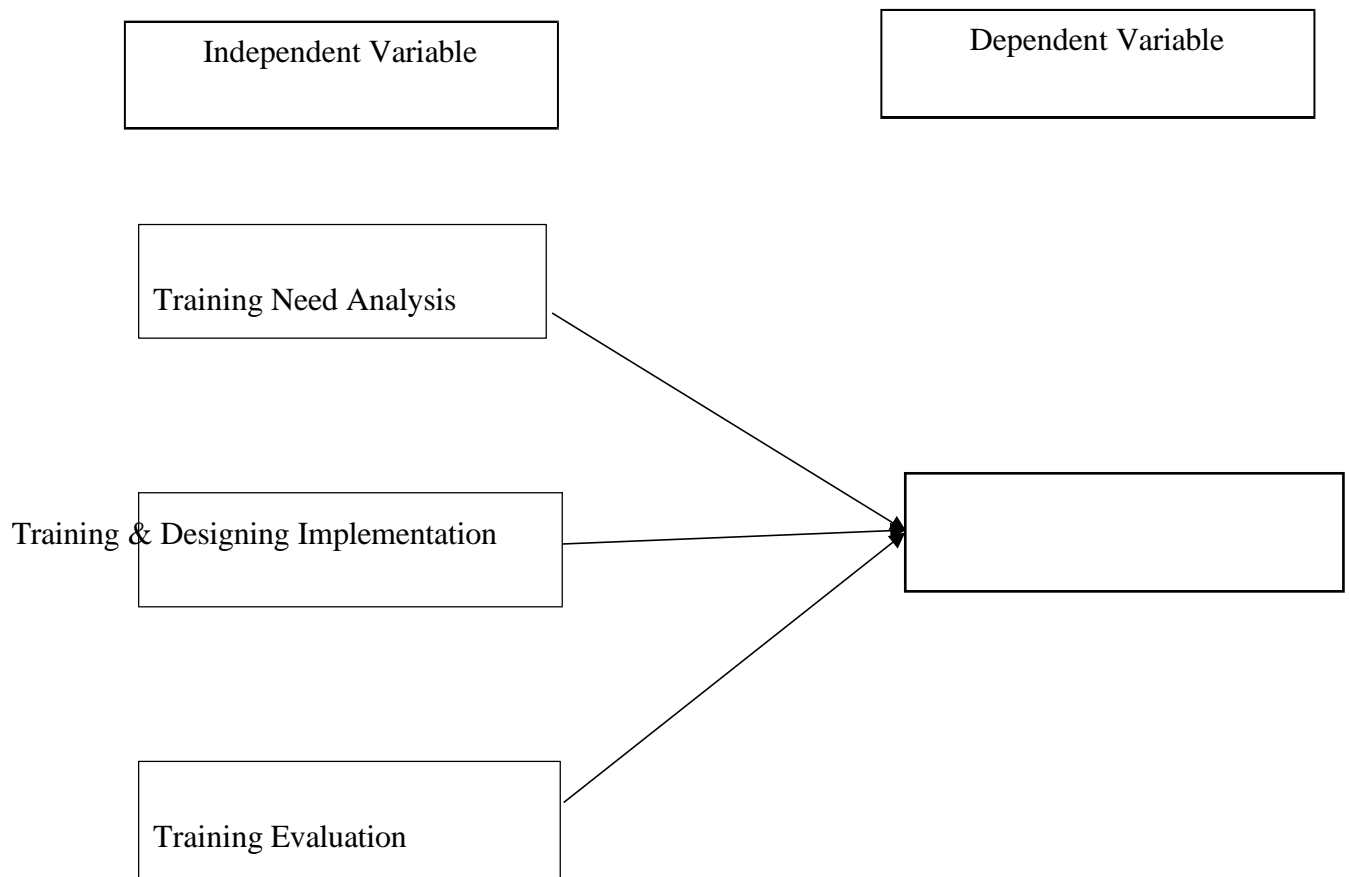
(Chavan, 2018) found that good training program can significantly improve an employee's job performance and sense of job satisfaction. Additionally, it is necessary to investigate whether training satisfaction has a good impact on organizational positivity. This research evaluated the link between training efficiency and training pleasure, and its impact on the positivity of the company in life insurance firms. The efficiency of instruction was evaluated on three criteria: the subject's Personal Skill Development ability of the training and sales to generate information about the company, the product, and the training, skill-development potential of the instruction.

3. Conceptual Framework

The conceptual framework of the study designed as follows. The study tries to explore the association between independent variables like Training Need Analysis, Training Designing & Implementation and Training Evaluation and dependent variable i.e. Satisfaction of Insurance Agent. There is a positive and significant relationship between independent variable and dependent variable which brings positive impacts on training and development practices of satisfaction of insurance agents. By

providing continuous learning opportunities, organizations can improve agents' performance and meets satisfaction towards their goals.

Fig 1: *Conceptual Framework*



Satisfaction of Insurance Agents

4. Hypothesis:

H₁: There is significant relationship between Training Need Analysis and Satisfaction of Insurance Agent

H₂: There is significant relationship between Training Designing & Implementation and Satisfaction of Insurance Agent.

H₃: There is significant relationship between Training Evaluation and Satisfaction of Insurance Agent.

5. Research Method

Research methodology includes the following structure: the research design, population, sample size, sampling technique, sources of data collection, data collection methods, tools used for data analysis. The study utilizes a quantitative approach to investigate the Assessment of Training and Development practices on Satisfaction of Insurance Agents of Life Insurance Companies. The quantitative aspect of the study involves questionnaires with agents of Insurance Companies to gain insights about Training and Development practices and its impact on Satisfaction of Insurance Agents.

Research Design

Research design refers to the overall plan or strategy which serves as a blueprint for how the research will be carried out, guiding the selection of data collection methods, participants, and data analysis techniques. This study uses descriptive research design to examine the Assessment of Training and Development Practices on Satisfaction of Insurance Agents.

Sample Size and Sampling Technique

The participants of this study included 51 respondents from different insurance companies of Butwal. Convenience Sampling Technique was used to select respondents.

Data Collection

The study was collected from primary source using a structured questionnaire method. The questionnaire included 18 items on a 7-point Likert Type scale and ranged from 1 (Strongly Disagree) to 7 (Strongly Agree) Which measured the T&D practices of employee satisfaction of Insurance Agents. The questionnaire was divided into 3 section i.e. Training Need Analysis, Training Designing and Implementation and Training Evaluation. The employee Satisfaction of Insurance Agent was measured by each 3 items Retention, Performance and Commitment in 7-point Likert scale. The questionnaire was distributed electronically using a google form as well through offline source visiting insurance companies and collecting response.

Data Analysis

A Descriptive Statistics was used to summarize the data collected from the questionnaire. The study also uses Inferential Statistics, including correlation, regression analysis, to examine the relationship between T&D and Satisfaction level of Insurance Agents. The statistical software package Statistical Package for Social Sciences (SPSS) was used to analyze the data.

Diagnostic Test

The various diagnostic test such as: Reliability test, Normality test, Multicollinearity test has been done before running the model which are shown below in the paper

6. Findings

Table 1: Demographic Profile of Respondents

		Frequency	Percent
Gender	Male	27	53.8
	Female	24	46.2
	Total	51	100
Age	Age 20 to 30	31	59.6
	Age 30 to 40	9	17.3
	Age 40 to 50	8	15.4
	Age 50 and above	3	7.7
	Total	51	100
Qualification	Masters	10	19.2
	Bachelors	29	55.8

	+2	1	3.8
	SLC/SEE	11	21.2
	Total	51	100
Income Level	20000 to 30000	24	46.2
	30000 to 40000	3	5.8
	40000 to 50000	1	3.8
	50000 and above	23	44.2
	Total	51	100

Out of total respondent 53.8% were male and 46.2 % were female. Out of total respondents, 59.6 % were age group of 20-30 years, 17.3% were age of 30-40 years, 15.4% were age of 40-50 years and 7.7% were age of 50 and above. About 21.2% were SLC/SEE passed out, 3.8% were +2 passed out, 55.8% were bachelor's passed out, 19.2% had completed masters. Out of the total respondents' maximum respondents had income level of Rs.20,000-30,000 and minimum respondents had income level of 40,000-50,000.

Table 2: Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
0.918	18

Since, the value of Cronbach's Alpha value is more than 0.7. This indicates that the questions that were designed for collecting data are very good and they shall give the desired output our research objective.

Table 3: Status of Training and Development Practices.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
TE	51	1.75	7	5.2304	0.98975
Satisfaction of Insurance Agents	51	1.33	7	5.1765	1.06948
TNA	51	2.6	7	5.0667	1.0328
TDI	51	2.33	7	5.1928	0.87074
Valid N (listwise)	51				

This table shows the independent level of Mean and Standard Deviation of Training Need Analysis is (M=5.0667) and (SD=1.0328), Training Designing and Implementation is (M=5.1928) and (SD=0.87074), Besides, the mean and standard deviation of Training Evaluation is (M=5.2304) and (SD=0.98975) respectively And Dependent Variable of Job Satisfaction of Mean is 5.1765 and Standard Deviation is 1.06948 respectively.

Bi-variate Analysis and Screening of Variables

This section contains the information about the variation in outcome variable i.e. job satisfaction on the

basis of various factors and degree of association between them. The significant variables selected from screening with the help of independent t-test, ANOVA and correlation coefficient are taken as independent variables for explaining the Satisfaction level of Insurance Agents.

Table 4: Comparison of Satisfaction level of Insurance Agents by educational Qualification

ANNOVA					
	N	Mean	Std. Deviation	F	Sig.
Masters	10	10.9333	2.68420		
Bachelors	29	12.3218	2.18306		
+2	1	12.0000		0.908	0.444
SLC/SEE	11	12.5455	3.14562		
Total	51	12.0915	2.50784		

Since, $0.444 > 0.05$, which means that the of Satisfaction level of Insurance Agents has no significant relationship with educational qualification.

Table 5: Comparison of Satisfaction level of Insurance Agents by Income level

ANNOVA					
	N	Mean	Std. Deviation	F	Sig.
20000 to 30000	24	11.2778	2.37675		
30000 to 40000	3	11.8889	2.36487		
40000 to 50000	1	12.6667		1.836	0.154
50000 and above	23	12.9420	2.52593		
Total	51	12.0915	2.50784		

Since, $0.154 > 0.05$, which means that the of Satisfaction level of Insurance Agents has no significant relationship with Income Level.

Table.6: Correlation Analysis

	TNA	TDI	TE	Satisfaction of Insurance Agents
TNA	1	.786**	.686**	.581**
TDI		1	.732**	.413**
TE			1	.549**
Satisfaction of Insurance Agents				1

** Correlation is significant at the 0.01 level (2-tailed). Note: Number of observation (N) is 51.

The correlation between Training need analysis and Job Satisfaction is 0.581 which has high degree of strongly positive Correlation. Thus, it can be contributed that there is a positive significant relationship between Training need analysis and Job Satisfaction. Similarly, Training Designing and Implementation and Job Satisfaction is 0.413 it also shows there is a high degree of correlation between variable which indicated there is a positive relationship between Training Designing and Implementation and Job Satisfaction. Similarly, the correlation between Training Evaluation and Job Satisfaction is 0.549 which has a strong positive Correlation between Training Evaluation and Job Satisfaction which shows there is high degree of correlation between variable which indicated there might occur the problem of Multicollinearity which is further shown with VIF test as well.

Table 7: Test of presence of multicollinearity

Collinearity Statistics		
	Tolerance	VIF
TNA	0.339	2.946
TDI	0.282	3.545
TE	0.398	2.513
Gender of Respondents	0.883	1.132

Age of the Respondents	0.218	4.580
Qualification of Respondents	0.262	3.814
Income level of Respondents	0.535	1.871

a. Dependent Variable: Satisfaction of Insurance Agents

Since, the VIF of all the independent variables is less than 10, which means that there is no such collinearity among the independent variables used in the data.

This table examines which of the three independent variables will influence the most in employee satisfaction of Insurance agent among the respondents. Training Evaluation has the strongest impact on satisfaction of Insurance agent. It is concluded that Relationship with the co-workers has the strongest predictor to employee satisfaction of Insurance agent among all the independent variables.

Thus, the determinant of Job Satisfaction can be summarized by the following equation:

$$\text{Employee satisfaction of Insurance agent} = 4.688 + 0.310 \text{ Training Need Analysis} - 0.167 \text{ Training Design and Implementation} + 0.312 \text{ Training Evaluation} + U$$

From the equation, if one unit of Training Need Analysis is increased, it will leads to an increase of 0.310 in employee satisfaction of Insurance agent.

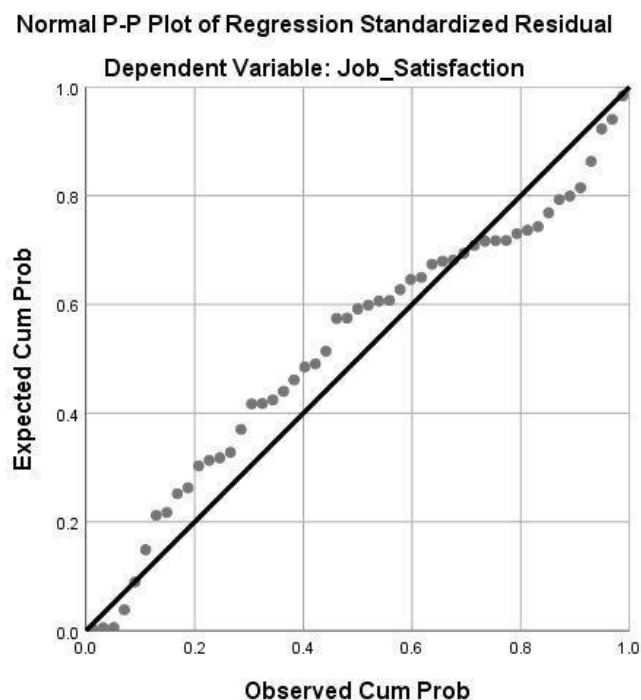
Besides, if one unit of Training Design and Implementation is increased, it will also leads to decrease of 0.167 in satisfaction of Insurance agent .

While one unit of Training Evaluation is increased, it will leads to an increase of 0.312 in Furthermore, one unit of relationship with co-worker increased will leads to a 0.387 increase in satisfaction of Insurance agent.

In conclusion, the multiple linear regression results show that there is significant impact on satisfaction of Insurance agent when the independent variables are regressed together.

Test of Normality of Residuals

Figure 1: Test of normality of residuals



The figure shows that there is no such huge deviation of residuals from the normal line except slight deviation starting the ending of normal line. It indicates that the residuals are approximately normally distributed

Test of Homoscedasticity of Residuals

The following figure is the scatter plot of residuals versus predicated values from the fitted model.

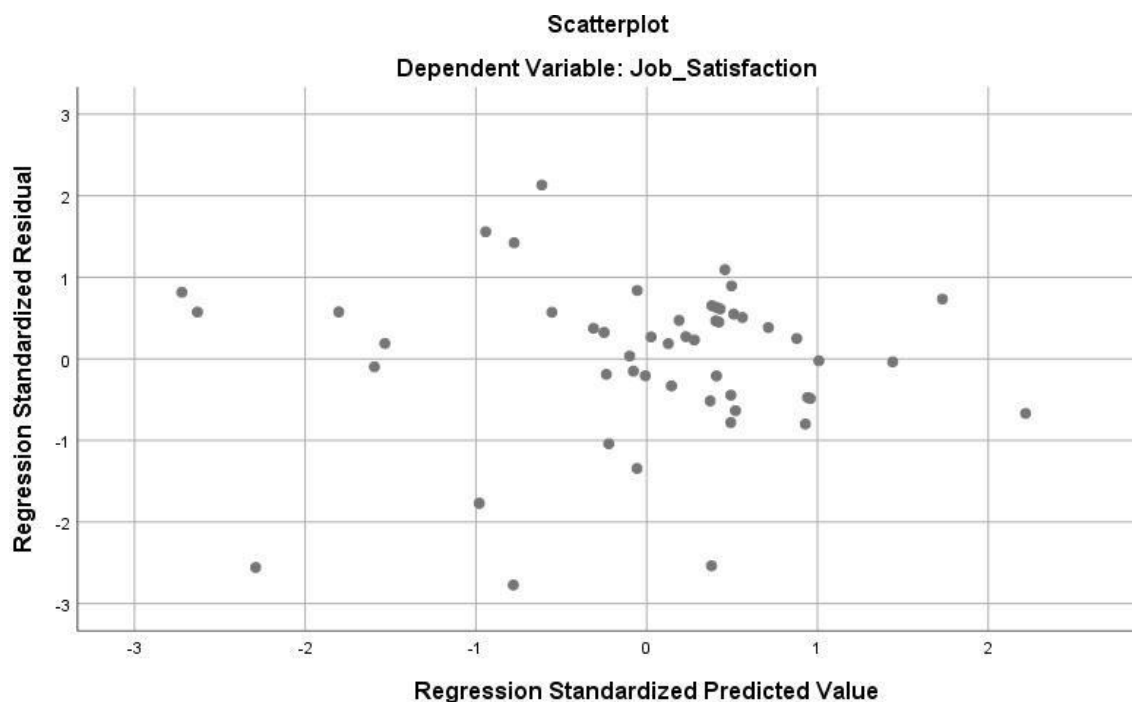


Figure 2: Test of Homoscedasticity of Residuals

The figure shows that there is no such difference in variation in residuals, which indicates that there is no such high degree of heteroscedasticity.

7. CONCLUSION

This study found that traditional channel i.e. Individual Agents are the backbone of the Corporation. On the basis of test result, it can be concluded that individual agents are satisfied with the Training and Development practices of the Company. The level of the satisfaction of agents with Training and Development practices of corporation is highly co-related with the status of agents. Higher status of agents is comparatively highly satisfied with regard to all the factors like Training need analysis, Training Designing and Implementation and Training Evaluation. This study research gap there is limited research on insurance agents so, the gap is fulfilled by figuring out how the agents are satisfied with company Training and Development practices. The main objective of this article is to examine the various training and development initiatives undertaken by life

insurance companies to enhance the skills and knowledge of their agents, they are satisfied with the training and development practices. After evaluating the training and development programs it positively influences employee satisfaction among insurance agents. When companies invest in training and skill development, agents feel more equipped to handle their roles, leading to increased confidence and job satisfaction. And another objective is to evaluate the impact of training and development practices on the overall job satisfaction of insurance agents. So, when agents receive training and development support, they feel more confident in their abilities, leading to increased motivation and a positive attitude towards their work. This, in turn, contributes to overall agents' satisfaction. Satisfaction of Insurance Agents is measured by three independent variables i.e. Training need analysis, Training designing and implementation, and Training evaluation. Among them Training Evaluation is the strongest impact on satisfaction of Insurance agent. It is concluded that Relationship with the co-workers has the strongest predictor to satisfaction of Insurance agent among all the independent variables.

In conclusion, investing in training and development practices positively impacts the overall satisfaction of insurance agents in life insurance companies. By providing continuous learning opportunities, organizations can improve agent performance, reduce turnover, enhance customer service, and foster a culture of growth and development. It is essential for life insurance companies to prioritize these initiatives to maintain a motivated and competent workforce that meets the evolving demands of the industry.

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